

Welcome Speech by
PROFESSOR EUSTON QUAH
PRESIDENT, ECONOMIC SOCIETY OF SINGAPORE
Economic Society of Singapore Annual Dinner 2019
Mandarin Orchard Hotel, Singapore
Thursday, 22 August 2019

Our Distinguished Speaker and Guest of Honor

Mrs Josephine Teo

Minister for Manpower

Second Minister for Home Affairs

Your Excellencies

Distinguished Guests

Ladies and Gentlemen

A very warm welcome to this year's Economic Society of Singapore Annual Dinner.

About the Economic Society of Singapore

This year marks the 63rd year since the founding of the Economic Society of Singapore. As most of you would have known, the Economic Society of Singapore is a non-profit organisation of economists, professionals, academicians and policymakers with great interest in economics. Established since 1956, the society's primary objective is to raise public awareness, and stimulate public interest and debate on economic issues. The Society had participated in providing important inputs for various Government initiatives such as the Forward Future Economy, White Paper on Population; The Economic Strategies Committee, the CPF Policy Changes Study; and Policy Options for the Singapore Economy. The

Society had also provided a platform for discussions on the Annual Singapore Government Budget among experts and the general public by organising a panel workshop post-budget annually.

About Economics

I am asked frequently about how the economy and the job market are doing or to predict the stock market. These questions are quite telling about the general public's interest in economics – they want to know about the economy and its underlying markets like the financial and job markets; but more importantly, they want to know how these markets are doing as it affects their livelihood.

When I reply that these are not the area of economics that I am working on, they are left disappointed and leave wondering what kind of economist am I?

Should they decide to continue conversing with me, I would often try to pique their interest in the wide-ranging field of economics. This usually starts with a definition of economics in an accessible, and more fundamental, way.

Economics is the study of how society manages its scarce resource among competing demands. Such a definition places economics in both the realms of the social sciences and decision sciences. As such, economics is not just about investments, finance and banking. It is also about making everyday decisions such as purchasing groceries; major decisions like whether to buy a car or take public transport, where to live, what to study, and jobs to consider; and important life decisions like when and who to marry, and how many children to produce. Likewise, firms need to decide what to produce, how much to produce, when and where to produce. Governments need to effectively allocate public funds to public infrastructure and services such as public safety, education, and even pollution mitigation. In all these activities, it is necessary to involve the economic thinking of scarcity, choices, and tradeoffs.

As an environmental economist, I am happy to hear Prime Minister Lee talk about Singapore's climate change preparations in his National Day Rally speech. While Singapore continues to do its part to manage emissions and cut waste, we must focus on the critical, and existential, issue of climate change adaptation. PM Lee

spoke about examining all options carefully – this is where economic thinking, in terms of cost-benefit analysis, one major tool in the economist’s bag, can help to assess the net benefits of competing or complementary solutions and serve as one of the metrics for policy efficiency.

ESS and Society

In actively promoting a series of activities and events, the Society has drawn economic players from students to members of the profession in academia, the government, and corporate sectors. A testament to this is the society’s Singapore Economic Policy Forum (SEPF) that is held annually in October. A leading platform for economic policy discussion in Singapore, the Forum allows policy-makers, scholars, business professionals, students, and interested members of the public to exchange views on contemporary economic issues facing Singapore and Asia. The three universities, NTU, NUS and SMU, take turns to co-organize this forum with the society. We invite our new sister university, Singapore University of Social Sciences, SUSS, to join us in co-organizing the forum in the immediate future. Past forums have focused on economic and public policy issues to social issues including changing economic winds, aggregate employment, financial sector reforms, the Singapore economy, economic relations with ASEAN, China, and specifically also with Malaysia, and social safety nets. Last year’s SEPF was on the theme Future of Singapore and Singapore in Asia where topics such as the future of happiness, future of growth and future of economic relations with our neighbours were covered. SMU will be hosting the upcoming SPEF on “External Challenges to the Singapore Economy and Possible Responses”.

The Singapore economy faces strong headwinds. The uncertainties and inefficiencies from external causes, such as the US-China trade wars and its spillovers, are beginning to take root. These will test the ongoing structural socioeconomics developments of preparedness, resilience and inclusiveness in Singapore. PM Lee, in his National Day Rally, highlighted that Singapore will continue to invest in its people – he specifically highlighted the very young preschoolers, lower-income tertiary students, and older workers. This is on top of the various initiatives to prepare Singaporeans for a future economy, some of

which has been covered by our past annual dinner speakers like DPM Heng Swee Keat and Minister Ong Ye Kung. I am sure Minister Josephine Teo will highlight some of these initiatives as well. With the strong headwinds, the challenge is to ensure that these structural changes continue to take place while quickly mitigating possible downturn effects that affect large numbers of people. Again, the issue of scarcity, choices and tradeoffs comes into play.

Some economists have made a distinction between the previous 3rd industrial revolution and the current 4th industrial revolution in progress. In the 3rd industrial revolution, on average, both global GDP and net employment rates were rising, but in the 4th industrial revolution, global GDP is expected to continue rising, while net employment falls. The trend can be attributed to the broad network effects of innovations and technologies like artificial intelligence and advanced robotics. These innovations know no boundaries, and they are sparking a new wave of globalisation amidst the faltering of the trade-based one. The potential impact of this new wave, both positives and negatives, must be salient in our psyche and our rational decision-making processes.

With this in mind, the society has just launched its new series of questions and answers with public officials and CEOs. Called the ESS 120 series, it hopes to allow maximum participation of ideas and discussion of controversial and contemporary topics as they affect Singapore. 120 stands for two hours of talk and discussion. The first ESS 120 was with Permanent Secretary Mr Pang Kin Keong from the Transport Ministry with 3 panelists asking their questions. The subsequent ESS 120 Talks were on Health (Professor Teo Ser Kiat, Chairman of the Singapore Medical Council), Labour and Manpower (Permanent Secretary, Mr Aubeck Kam, who is here tonight) and Population and Fertility (Deputy Secretary Jacqueline Poh, who is also here tonight). All talks were well-received with a very good response rate and quality discussions. The forthcoming ESS120 talk will be on law and regulations, and it will be given by Permanent Secretary of Law Mr Ng How Yue

The Society also continues to place a strong emphasis on education and nurturing young talents. The Society's education committee actively engages teachers and

students of economics through the annual Junior College Seminar Series in which professional economists and university academicians participate as speakers on various contemporary economic issues. The Society had also launched the Outstanding Economics Teacher Award (OETA). Up to 2 awards were given to outstanding Economics teachers in Singapore who have exhibited excellence in the teaching and learning of Economics. Besides recognizing outstanding Economics teachers, the awards also promote the sharing of best practices by outstanding teachers and encourage Economics teachers to achieve professional excellence. I would like to thank the Ministry of Education's Curriculum Planning and Development Division who have provided support, inputs and the administrative details for the setting up of this award. I would also like to thank World Scientific publishing who has been sponsoring the cash award to be used for professional development. The recipients of this award are announced at the Singapore Economic Policy Forum every year.

The Society also organises student essay competitions, with the original sponsorship which has continued to this day by the Monetary Authority of Singapore; Gold Medal Awards for outstanding graduates in Economics at tertiary institutions; and study tours. Through the essay competitions, the Society furthers its aim in encouraging members of the public and particularly the youth to learn about the role of economic thought and analysis in public policies in Singapore. Recent essay competitions which focus on non-traditional areas of economics were also launched; one was sponsored by the National Climate Change Secretariat (NCCS), and another was sponsored by the Competition Commission of Singapore. The Society had also collaborated with another essay competition sponsor, Maritime and Port Authority of Singapore. To all our essay sponsors, a big thank you.

The Young Professionals' Career Wing is now in its sixth year. This initiative aims to attract young economists to participate in the Society's activities and at the same time bring in fresh and new ideas to further develop and diversify the Society's mainstream activities into relevant and contemporary issues of the young. The activities of this group include informal gatherings and social interactions among themselves with guest speakers and invitees from seniors and

well-known professionals in government and industry with the occasional appearances by distinguished academia. This past year saw the Youth Wing organising a major summit revolving around the themes of “The Future of Financial Services” and “The Paradigm Shift in Traditional World Economics”.

I welcome those of you in the audience tonight who are young professional economists to join us in this endeavour to further rejuvenate the Society. Many of you might be curious to know who can qualify to be a member of our Young Professionals’ Career Wing. Well, he or she will be between ages 25 to 35. But let’s not quibble about whether those in the age 35 group qualify or not as we can make exceptions for those slightly above age 35. However, we would draw the line at those who consider themselves young at heart.

ESS also looks across borders in its approach to encouraging dialogue. In line with the recent reaffirmation of France-Singapore bilateral relationships and the France-Singapore Year of Innovation, the first forum featured luminaries like Bertrand Badré, former Managing Director of the World Bank, and Enrico Letta, former Prime Minister of Italy and Dean of the Paris School of International Affairs with guest of honor Mr. Thaman Shanmugaratnam, then Deputy Prime Minister. The Society has just concluded organising the second forum in March. Former Minister for Finance Michel Sapin and Minister for Digital Affairs, Mounir Mahjoubi were in attendance with guests of honour Minister Chan Chun Sing, Minister for Trade and Industry and Minister Heng Swee Keat, Minister for Finance and presently Deputy Prime Minister as special guest.

The Society will be hosting the 44th Federation of ASEAN Economic Association’s conference in November. This year the federation will see the participation of economic associations from 9 ASEAN countries, the theme being “The New ASEAN Economy”.

ESS also offers a platform for inclusiveness of ideas through its academic journal, the Singapore Economic Review, which started out as the Malayan Economic Review in 1956. It is one of the oldest economic journals in Asia and is one of the few journals based in Asia indexed in the Social Sciences Citation Index (SSCI). Published four times a year by World Scientific Publishing, it is presently a leading

journal in the Asia-Pacific Region. The activities of the journal culminate with the biennial Singapore Economic Review Conference (SERC). The 8th conference was just concluded over 3 full days from August 5 to 7 this month. A total of 350 papers were presented and participants come from over 60 countries. Editors/Co-editors of top journals also attended.

There are many other activities organized by the Society throughout the year, and this can be found in the President's Report each year. For those of you who wish to know more about the Society, please visit our website and we appreciate suggestions and constructive ideas to further strengthen and liven the Society's mission and activities.

You might have browsed through the Society's bulletin placed at your seat. Called Economics and Society, the bulletin is so named as there is no economics without a society. Past issues have contained interesting articles that are highly relatable to the general public and relevant to our everyday lives. They revolved around to the themes of economic development, the environment, and technology.

Last year the bulletin, titled, "Man and his Neighbour" focused on inequality – a highly topical issue that our President of Singapore, Mdm Halimah Yacob, chose to speak on in her maiden presidential address in parliament. This year's issue is titled "Man and the Law" which examines the interface between economics and the law. Among the topics it covers the market economy in relation to property rights, cost-benefit analysis and regulatory reform, behavioural economics and nudges to complement legislation, and issues in competition law. We were honoured to have Minister for Law, Mr K. Shanmugam who wrote the forward for this issue.

Endnote

As today's economic problems become increasingly complex, I was told that my speeches are also becoming increasingly complex and long. Therefore, I would like to close by thanking the Society's members and sponsors, especially our continued Platinum sponsor for this evening's dinner, Capgemini Consulting, and everyone present at the dinner for your generous support. I would also like to

thank my predecessor-presidents of the Society for the immensely important role in building up the Society at its various stages, supported by an able council throughout and an efficient secretariat, headed by Ms Vivian Tan.

Finally, on behalf of my fellow Council Members and the Society, I thank our Annual Dinner Guest-of-Honor and Distinguished Speaker, Minister Josephine Teo, for her encouraging presence, and we look forward to hearing from her.

It is now my privilege and honour to introduce and say a few words on our Guest-of-Honor, Minister Teo.